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House of Representatives
COMMONWEALTH OF PENNSYLVANIA
HARRISBURG

COMMITTEES

PROFESSIONAL LICENSURE,
MAJORITY CHAIRMAN
LIQUOR CONTROL
FIREFIGHTERS' CAUCUS,
COCHAIRMAN EMERITUS

Original: 2173

March 30, 2001

John R. McGinley, Jr., Chairman
Independent Regulatory Review Commission
14th Floor, Harristown 2
333 Market Street
Harrisburg, PA 17101

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2001 APR -3 09:11:54
INDEPENDENT REGULATORY REVIEW COMMISSION

Dear Chairman McGinley:

This is to advise you that the House Professional Licensure Committee was unable to convene a quorum in time to take formal action on Regulation 16A-601. Committee members were forwarded a copy of the regulation and asked that they contact the Chairman with any comments or suggestions, however, none were received. Therefore, the committee submits no comments.

Please feel free to contact my office if any questions should arise.

Sincerely,

A handwritten signature in cursive script that reads "Mario J. Civera".

Mario J. Civera, Chairman
House Professional Licensure Committee

MJC/sms
Enclosure

cc: Robert G. Pickerill, Chairman
State Board of Vehicle Manufacturers,
Dealers and Salespersons
Honorable Kim H. Pizzigrilli, Secretary of the Commonwealth
Department of State

Regulation 16A-601

State Board of Vehicle Manufacturers, Dealers and Salespersons

PROPOSAL: Regulation 16A-601 amends 49 PA Code, Chapter 19, regulations of the State Board of Vehicle Manufacturers, Dealers and Salespersons. The amendment implements 1996 amendments to the Board of Vehicles Act relating to consignment sales and brokering.

The proposed Rulemaking was published in the Pennsylvania Bulletin on February 10, 2001. The Professional Licensure Committee has until April 2, 2001 to submit comments on the regulation.

ANALYSIS: The Board of Vehicles Act, (P.L. 306, No. 84), was amended by Act 27 of 1996 to allow licensed vehicle dealers to act as vehicle brokers, and provided that vehicle dealers do not need to hold a vehicle auction license in order to sell a vehicle on a consignment basis. Proposed Section 19.19 sets forth the conditions under which licensed dealers would be permitted to engage in consignment sales.

Vehicle dealers would be required to maintain and display a copy of a written consignment agreement with the consignor at the lot where the vehicle is displayed. The proposed regulation sets forth a list of information which must appear in the agreement, which includes a complete description of the vehicle, the terms of the sale, the terms of insurance coverage during the period of consignment, any express warranties extended by the consignor, the identities of all current lien holders, any material facts relative to the vehicle including an accident history, and a copy of the current registration card or title.

The dealer would be responsible for providing an executed title to the buyer at the time of delivery, and have the title assigned from the consignor to the dealer prior to applying for title in the name of the buyer. Dealers would be required to disclose to potential buyers of a consigned vehicle that the vehicle is held on consignment and is not owned by the dealer. Finally, all activities involving the consignment sale must comply with all applicable federal and state law.

RECOMMENDATIONS: It is recommended that the Professional Licensure Committee take no formal action until final form regulations are promulgated.

House of Representatives
Professional Licensure Committee
February 15, 2001